



FACT SHEET

Commerce Preliminarily Finds Subsidization of Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China

- On September 3, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of circular welded carbon quality steel line pipe (welded line pipe) from the People's Republic of China (China). Welded line pipe is used for the transmission of gas or oil, generally in pipeline or utility distribution systems.
- Subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce preliminarily determined that Chinese producers/exporters have received net countervailable subsidies ranging from 18.89 to 31.65 percent.
- Mandatory respondents, Liaoning Northern Steel Pipe Co., Ltd. and the Huludao Companies received net subsidy rates of 31.65 and 18.89 percent, respectively. All other Chinese producers/exporters of welded line pipe received a rate of 25.27 percent.
- As a result of this preliminary determination, Commerce will instruct U.S. Customs and Border Protection to suspend liquidation of entries of subject merchandise and to collect a cash deposit or bond based on these preliminary rates.
- The petitioners for this investigation are Maverick Tube Corporation (TX), United States Steel Corporation (PA), Tex-Tube Company (TX), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC (PA).
- The merchandise covered by this investigation is certain welded line pipe of a kind used for oil and gas pipelines, not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, length, surface finish, end finish or stenciling.
- Welded line pipe is classifiable under subheadings 7306.19.10.10, 7306.19.10.50, 7306.19.51.10, and 7306.19.51.50 of the Harmonized Tariff Schedule of the United States (HTSUS). While HTSUS subheadings are provided for convenience and customs purposes, Commerce's written description of the scope of these investigations is conclusive.

NEXT STEPS

- Commerce is currently scheduled to make its final determination in November 2008.
- If Commerce makes a final determination that Chinese producers/exporters have received countervailable subsidies in this investigation, and the U.S. International Trade Commission

makes a final affirmative determination that imports from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a countervailing duty order.

PRELIMINARY NET SUBSIDY RATE:

PRODUCER/EXPORTER	SUBSIDY RATE
Liaoning Northern Steel Pipe Co., Ltd.	31.65%
Huludao Seven-Star Steel Pipe Group Co., Ltd.; Huludao Steel Pipe Industrial Co., Ltd.; Huludao Bohai Oil Pipe Industrial Co., Ltd. (collectively, the Huludao Companies)	18.89%
All Others	25.27%

CASE CALENDAR:

EVENT	DATE
Petition Filed	April 3, 2008
DOC Initiation Date	April 23, 2008
ITC Preliminary Determination	May 19, 2008
DOC Preliminary Determination	September 2, 2008
DOC Final Determination*	November 17, 2008
ITC Final Determination**	January 2, 2009
Issuance of Order***	January 9, 2009

* This deadline may be extended under the governing statute.

** This will take place only in the event of a final affirmative determination by Commerce.

*** This will take place only in the event of final affirmative determinations by both Commerce and the ITC.

IMPORT STATISTICS:

CHINA	2005	2006	2007
Volume (kilograms)	25,115,394	204,527,874	256,073,396
Value (\$US)	17,547,071	124,696,532	165,463,064

Source: U.S. International Trade Commission, Dataweb (HTSUS 7306.19.10.10; 7306.19.10.50; 7306.19.51.10; 7306.19.51.50, effective February 3, 2007, and HTSUS 7306.10.10.10; 7306.10.10.50; 7306.10.50.10; 7306.10.50.50, prior to February 3, 2007)